

Abstract

The purpose of this thesis is to evaluate the predictive power of personality traits, depicted by a commercial assessment Predictive Index, on sales employee performance. We utilize non-publicly available company level data from one of the leading firms operating in the consumer finance industry in China. The data set contains over 31 thousands observations on one particular position. Employee performance is measured by their ranking within the top or bottom 20% or 30% based on the sold volume during first month of employment. Using visual analysis and logistic regression, we were able to identify positive correlation between extraversion and sales performance and negative correlation between patience and employee performance. These findings are in line with previous literature. We have also identified that having a colleague at a given sales location has a positive impact on employee performance. Our findings also suggest that it is easier to predict bottom performers when compared to the top ones. Nevertheless, the explanatory variables are able to explain merely 4.7% of variation in employee performance. The added value of personality traits is thus limited in our setting. Such a low predictive power is likely caused by improper administration of the assessment and the fact that the results are attenuated due to the missingness of certain explanatory variables such as education and cognitive ability.

| | |
|----------------------------|--|
| JEL Classification | C35, C51, J01 |
| Keywords | Employee performance, Predictive Index, Employee productivity, China, Sales |
| Title | Personality tests and their linkage to employee productivity |
| Author's e-mail | kristina.tsypushkina@gmail.com |
| Supervisor's e-mail | petr.pleticha@cerge-ei.cz |